

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

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	:
DUNKIN' DONUTS FRANCHISED	:
RESTAURANTS LLC, <i>et al.</i> ,	:
	:
Plaintiffs,	:
	:
v.	:
	:
CHELSEA DB ASSOCIATES, INC., <i>et al.</i> ,	:
	:
Defendants.	:
-----X	

C.A. No. 1:07-cv-07218-RJH

**PLAINTIFFS' REPLY TO COUNTERCLAIMS OF DEFENDANTS**

Plaintiffs/counter-defendants (collectively "Dunkin'") hereby reply to the counterclaims of Defendants as follows:

**COUNTERCLAIMS**

1. Dunkin' denies the allegations of paragraph 20.
2. Dunkin' denies the allegations of paragraph 21.

**AFFIRMATIVE DEFENSES**

1. One or more of Defendants' Counterclaims fails to state a claim upon which relief can be granted.
2. One or more of Defendants' Counterclaims is barred by the equitable doctrines of waiver, estoppel, laches, and unclean hands.
3. Defendants' Counterclaims are barred by the plain language of the Franchise Agreements.
4. Defendants have failed to mitigate their damages, if any there were.

5. The Franchise Agreements are fully integrated, which bars some or all of Defendants' Counterclaims.

6. Plaintiffs plead the affirmative defense of fraud.

7. Plaintiffs deny that Defendants are entitled to recover costs and attorneys' fees under any theory of law.

8. Plaintiffs plead that Defendants' Counterclaims are barred by their failure to perform their contractual obligations.

9. Plaintiffs plead that Defendants are barred from recovery because they are unable to prove that Plaintiffs caused them any damages.

Respectfully submitted,

By: /s/ Ronald Degen

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Dated: January 31, 2008

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